

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE**
45 Fremont Street, 21st Floor
San Francisco, California 94105

**File No. RH05049799
Z Notice File No. Z-06-0703-03**

**May 30, 2007
OAL File No. 07-0105-06S**

NOTICE OF AVAILABILITY OF CHANGED TEXT

On July 3, 2006, the California Insurance Commissioner issued a Notice of Proposed Action and Notice of Public Hearing, proposing to add Title 10, Chapter 5, Subchapter 3, Article 7.1 to the California Code of Regulations. The draft regulations were proposed for the purpose of implementing Division 2, Part 6, Chapter 1 of the California Insurance Code, entitled "Title Insurance." The Department held a public hearing on August 30, 2006, and received written public comments regarding the proposed regulations. A Notice of Availability of Changed Text was issued by the Department on November 27, 2006. The proposed regulations, as modified pursuant to the Notice of November 27, 2006, were submitted to the Office of Administrative Law (OAL) for review pursuant to section 11349.1 of the Government Code on January 5, 2007.

On February 21, 2007, OAL disapproved the regulations for lack of clarity, defective citation of references, omission of required documents from the rulemaking file, and failure to meet all the requirements pertaining to incorporation of standards into the regulations by reference. On May 9, 2007, the Commissioner issued a Notice of Availability of Changed Text pursuant to section 11346.8 of the Government Code. The revisions to the regulation text distributed on May 9, 2007 corrected the deficiencies identified by OAL in its decision of disapproval.

SUMMARY OF TEXT MODIFICATIONS

The purpose of this Notice is to notify interested members of the public of new proposed changes to the regulation text. The several text modifications associated with this Notice implement a single policy. The modifications delay the effective implementation of the regulations for one year. No other changes in the regulations as distributed pursuant to the May 9, 2007 notice are made by these modifications.

Specifically, the regulations require title insurers to collect and report specified data regarding their business operations and transactions to the Department of Insurance. The regulations, as originally proposed and as modified pursuant to the May 9, 2007 Notice, required insurers to collect data for 2008 and to begin reporting those data to the Department in 2009. Insurers that did not comply with the data reporting requirements would be subject to an interim maximum permitted rate, beginning in 2009.

The changes made available pursuant to this Notice delay the data collection, reporting, and interim rate imposition for one year. The modified regulations impose the data collection requirement upon insurers for their business operations and transactions in 2009 and require initial reporting in 2010. No changes in the required data collection, the reporting requirements, or any other aspect of the regulations are made by these modifications to the text.

These regulations add Article 7.1 and repeal Article 14 of Title 10, Chapter 5, Subchapter 3 of the California Code of Regulations (CCR). Proposed Article 7.1 adds sections 2355.1 through

2359.7 to Title 10 of the CCR. The text modifications of this Notice modify only the following proposed additions to the CCR: sections 2356.4, 2356.5, 2356.8, 2356.9, 2357.19, and 2358.9.

PUBLIC COMMENT INVITED:

The Commissioner has proposed additional changes to the text of the regulations. The public is invited to submit comments regarding the changes proposed for sections 2356.4, 2356.5, 2356.8, 2356.9, 2357.19, and 2358.9, which are reflected in underline and strikeout in the attached modified text.

Pursuant to section 11346.8(c) of the Government Code, the only comments that will be considered are those related to the *changes* in the attached regulation text. Comments on any provision of the regulation other than the changes proposed in sections 2356.4, 2356.5, 2356.8, 2356.9, 2357.19, and 2358.9 will not be considered and no summary or response to such comments will be provided.

The Commissioner believes the changes made to the regulation text are either nonsubstantial or solely grammatical in nature, or are sufficiently related to the original text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. Accordingly, pursuant to the provisions of California Government Code Section 11346.8(c), the Commissioner is soliciting written public comment on the changes. A copy of the changes, with the proposed changes clearly indicated, is available for public comment for at least 15 days.

CONTACT PERSONS:

All written comments submitted in response to this Notice and all general or substantive questions regarding this Notice should be directed to either of the contact persons as follows:

Bryant Henley, Senior Staff Counsel; (415 538-4111); Henleyb@insurance.ca.gov
Kim Morimoto, Senior Staff Counsel; (415 538-4143); Morimotok@insurance.ca.gov
California Department of Insurance
Rate Enforcement Bureau
45 Fremont Street, 21st Floor
San Francisco, CA 94105
Facsimile: (415) 904-5490

SUBMISSION OF WRITTEN COMMENTS:

All written comments on the changes must be received by the Insurance Commissioner, at the address listed above, by no later than **5:00 p.m. on Friday, June 15, 2007**. Comments submitted by e-mail and facsimile on or before the deadline will be accepted and considered. Those submitting comments by e-mail should provide them in either Microsoft Word format or as a Portable Document Format (PDF) file.

AUTOMATIC MAILING:

A copy of this notice, and the text of the new proposed changes, will automatically be sent to all those who testified at the public hearing, those who submitted written comments at the public hearing, all persons whose comments were received during the public comment period, all persons who requested copies of information regarding the regulations, and all persons who requested notification of the availability of such changes.

STEVE POIZNER
Insurance Commissioner

By _____/S/_____
Bryant W. Henley
Senior Staff Counsel

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

**July 3, 2006
Revised May 30, 2007**

RH05049799

PROPOSED REGULATION TEXT

Unmodified text shown below reflects the regulation text as made available for public comment pursuant to the Notice of Availability of Changed Text issued on May 9, 2007. Proposed additions to that text are indicated in *italic type*. Proposed deletions from that text are indicated in ~~strikeout type~~. None of the provisions below are currently contained in the California Code of Regulations. All of the provisions shown below would constitute additions to the California Code of Regulations.

This Proposed Regulation Text displays only those proposed regulation sections or section subdivisions which are being modified pursuant to this Notice of Availability of Changed Text (May 30, 2007). Those sections of the proposed regulation which are unaffected by this May 30 Notice are explicitly identified, but are not displayed. These explanatory notes are enclosed in [UPPERCASE BRACKETED TEXT] and do not constitute text proposed for adoption.

[THE HEADER, THE TABLE OF CONTENTS, AND PROPOSED
SECTIONS 2355.1 THROUGH 2356.3 AS PROPOSED FOR
ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF
CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN
THIS PROPOSED TEXT.]

Section 2356.4 When to Report

Section 2356.4 (a) The initial annual submission of all experience reports required by this statistical plan shall cover experience from January 1, ~~2008~~ 2009 through December 31, ~~2008~~ 2009 and must be received by the Commissioner on or before April 30, ~~2009~~ 2010.

(b) Following the initial submission, all experience reports required by this statistical plan shall cover experience in a calendar year and shall be received by the Commissioner on or before April 30 following the experience year reported. For example, the second annual submission shall cover ~~2009~~ 2010 experience and be received by the Commissioner no later than April 30, ~~2010~~ 2011.

(c) In order to assist reporting companies and the statistical agent with compliance with reporting requirements, each company shall, on or before June 30, ~~2008~~ 2009, submit all

experience reports for the period January 1, ~~2008~~ 2009, through March 31, ~~2008~~ 2009, with the following limitations and exceptions.

(1) Balance sheet reports shall state financial condition as of March 31, ~~2008~~ 2009.

Affected reports are TI02, UTC02, and portions of TI12 and UTC12.

(2) All reports other than TI02, TI16, UTC02, and the balance sheet portions of TI12 and UTC12 shall contain experience for the period January 1, ~~2008~~ 2009 through March 31, ~~2008~~ 2009 only and shall include only current period reporting. Prior period reporting is not required for this initial submission.

(3) Report TI16 shall be reported in full detail as of December 31, ~~2007~~ 2008, meaning the most current reporting year is the full year ~~2007~~ 2008.

(d) Any underwritten title company or controlled escrow company having revenues less than \$10 million in the preceding calendar year and having less than 10% common ownership or control by or of any other title insurer, underwritten title company, or controlled escrow company may, on or before October 1, apply for a one-year extension of its reporting requirements pursuant to this section for the following year. The Commissioner shall grant the application only if the applicant has shown by sworn testimony and documentary evidence each of the following:

(1) That the applicant is making a diligent effort to comply with this subarticle,

(2) That suitable data-processing products and services are not commercially available, and cannot reasonably be expected to be available, to enable the applicant economically to comply with this subarticle in the following year.

NOTE: Authority: Sections 12389, 12397.5, 12401.3, 12401.5, and 12414.21 of the Insurance Code; 20th Century Ins. Co. v. Garamendi (1994) 8 Cal.4th 216.

Reference: Sections 12401.1, 12401.2, of the Insurance Code.

[PROPOSED SECTIONS 2356.5 THROUGH 2356.5(G) AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

Section 2356.5 How to Report

2356.5 (h) File Naming Conventions.

(1) Initial Data Report Submission of a Title Insurance Company or Underwritten Title Company: Each data report shall be submitted as a separate electronic file and named using the following conventions:

AAAA_BBBBBB_CCCCC.EEE

where

- AAAA is the experience year reported;

- _ is a single space;
- BBBBBB is the report name;
- CCCCCC is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- EEE is the file extension, which must be .txt for a Comma Delimited file.

Example: Report TI01 for ~~2006~~ 2010 experience from a title insurance company with an NAIC Code of 51111 submitted in a comma delimited format:

~~2006~~ 2010 TI01 51111.txt

(2) Resubmission of a Data Report of a Title Insurance Company or Underwritten Title Company: If a data report is being resubmitted, the file name shall be:

AAAA_BBBBBB_CCCCC_RX.EEE

where

- AAAA is the experience year reported;
- _ is a single space;
- BBBBBB is the report name;
- CCCCCC is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- RX is the number of the submission, with R1 being the first resubmission, R2 being the second resubmission and so on;
- DDD is the file extension, which must be .txt for a Comma Delimited file.

Example: The first resubmission of the ~~2006~~ 2010 TI01 from a title insurance company with an NAIC Code of 51111 submitted in a comma delimited format:

~~2006~~ 2010 TI01 51111R1.txt

(3) Initial Data Report Submission of a Controlled Escrow Company Whose Experience Is Not Included in the Data Report of the Controlling Title Insurance Company or Underwritten Title Company: For a data report of the experience of a controlled escrow company whose experience is not otherwise included in the reports of the controlling title insurance company or underwritten title company, the file name shall be:

AAAA_BBBBBB_ZZZZ_CCCCC.EEE

where

- AAAA is the experience year reported;
- _ is a single space;
- BBBB is the report name;
- ZZZZ is a unique code assigned by the controlling title insurance company or underwritten title company to the controlled escrow company whose experience is being reported with codes starting with Z001 and continuing through Z999, as necessary;
- CCCCC is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- DDD is the file extension, which must be .txt for a Comma Delimited file.

Example: The initial submission of the ~~2006~~ 2010 UTC01 for a controlled escrow company controlled by an underwritten title company with the California UTC code of U1234 in spreadsheet format:

~~2006~~ 2010 UTC01 Z001 U1234.xls

(4) Resubmission of a Data Report of a Controlled Escrow Company Whose Experience Is Not Included in the Data Report of the Controlling Title Insurance Company or Underwritten Title Company: If a data report of the experience of a controlled escrow company whose experience is not otherwise included in the reports of the controlling title insurance company or underwritten title company is resubmitted, the file name shall be:

AAAA_BBBBB_ZZZZ_CCCCC_RX.DDD

where

- AAAA is the experience year reported;
- _ is a single space;
- BBBB is the report name;
- ZZZZ is a unique code assigned by the controlling title insurance company or underwritten title company to the controlled escrow company whose experience is being reported with codes starting with Z001 and continuing through Z999, as necessary;
- CCCCC is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;

- RX is the number of the submission, with R1 being the first resubmission, R2 being the second resubmission and so on;
- DDD is the file extension, which must be .txt for a Comma Delimited file.

Example: The second resubmission of the ~~2006~~ 2010 UTC01 for a controlled escrow company controlled by an underwritten title company with the California UTC code of U1234 in spreadsheet format:

~~2006~~ 2010 UTC01 Z001 U1234 R2.xls

(5) Transmittal Form for Title Insurance Company or Underwritten Title Company Reports: After completing the transmittal form using the spreadsheet template provided by the Commissioner, the reporting company shall rename the spreadsheet file to:

YYYYDDMM_TRANS_BBBBB.EEE

- YYYYMMDD is the date of the submission with YYYY being the year, MM being the number of the month and DD being the day, together representing the date of the submission or resubmission.
- _ is a single space;
- TRANS is a unique name for the transmittal form in all capital letters;
- BBBBB is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- EEE is the file extension, which must be .xls for spreadsheet format.

Example: The transmittal form for a title insurance company with an NAIC Code of 51111 accompanying a submission made on April 30, ~~2007~~ 2010 would be named:

~~2007~~ 20100430 TRANS 51111.xls

(6) Transmittal Form for Data Reports of a Controlled Escrow Company Whose Experience Is Not Included in the Data Reports of the Controlling Title Insurance Company or Underwritten Title Company: After completing the transmittal form for the reports of the controlled escrow company using the spreadsheet template provided by the Commissioner, the reporting company shall rename the spreadsheet file to:

YYYYDDMM_TRANS_ZZZZ_BBBBB.EEE

where

- YYYYMMDD is the date of the submission with YYYY being the year, MM being the number of the month and DD being the day, together representing the date of the submission or resubmission;
- _ is a single space;
- TRANS is a unique name for the transmittal form in all capital letters;
- ZZZZ is a unique code assigned by the controlling title insurance company or underwritten title company to the controlled escrow company whose experience is being reported with codes starting with Z001 and continuing through Z999, as necessary;
- BBBB is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- EEE is the file extension, which must be .xls for spreadsheet format.

Example: The transmittal form for a controlled escrow company controlled by a title insurance company with an NAIC Code of 51111 accompanying a submission made on April 30, ~~2007~~ 2010 would be named:

~~2007~~20100430 TRANS Z001 51111.xls

(7) Certification for Title Insurance Company or Underwritten Title Company Reports: Each submission must be accompanied by a certification using the form provided by the Commissioner in hard copy with original signature and as an electronic file in the Portable Document Format (pdf). The electronic copy of the certification shall be named:

YYYYDDMM_CERT_BBBB.EEE

where

- YYYYMMDD is the date of the submission with YYYY being the two digits of the year, MM being the number of the month and DD being the day, together representing the date of the submission or resubmission;
- _ is a single space;
- CERT is a unique name for the certification form;

- BBBB is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- EEE is the file extension, which must be .pdf for the Portable Document Format.

Example: The certification form for a title insurance company with an NAIC Code of 51111 accompanying a submission made on April 30, ~~2007~~ 2010 would be named:

~~2007~~20100430 CERT 51111.pdf

(8) Certification for Data Reports of a Controlled Escrow Company Whose Experience Is Not Included in the Data Reports of the Controlling Title Insurance Company or Underwritten Title Company: Each submission must be accompanied by a certification using the form provided by the Commissioner in hard copy with original signature and as an electronic file in the Portable Document Format (pdf). The electronic copy of the certification shall be named:

YYYYDDMM_CERT_ZZZZ_BBBB.EEE

where

- YYYYMMDD is the date of the submission with YYYY being the two digits of the year, MM being the number of the month and DD being the day, together representing the date of the submission or resubmission;
- _ is a single space;
- CERT is a unique name for the certification form;
- ZZZZ is a unique code assigned by the controlling title insurance company or underwritten title company to the controlled escrow company whose experience is being reported with codes starting with Z001 and continuing through Z999, as necessary;
- BBBB is the California UTC Code for Underwritten Title Company Reports or the NAIC Company Code for Title Insurance Company Reports;
- EEE is the file extension, which must be .pdf for the Portable Document Format.

Example: The certification form for a title insurance company with an NAIC Code of 51111 accompanying a submission made on April 30, ~~2007~~ 2010 would be named:

~~2007~~20100430 CERT Z001 51111.pdf

NOTE: Authority: Sections 12389, 12397.5, 12401.3, 12401.5, and 12414.21 of the Insurance Code; 20th Century Ins. Co. v. Garamendi (1994) 8 Cal.4th 216.
Reference: Sections 12401.1, 12401.2 of the Insurance Code; section 2015.5 of the Code of Civil Procedure.

[PROPOSED SECTIONS 2356.6 THROUGH 2356.8(B)(6) AS
PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF
AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007
ARE UNCHANGED IN THIS PROPOSED TEXT.]

Section 2356.8 Title Insurer Statistical Plan Reports

2356.8 (b) (7) Report TI02 requests experience for the current reporting year and the prior reporting year. For example, the ~~2007~~ 2009 TI03 report, submitted by April 30, ~~2008~~ 2010, contains assets and liabilities at year-end ~~2007~~ 2009 (the current reporting year) and at year-end ~~2006~~ 2008 (the prior reporting year).

[PROPOSED SECTIONS 2356.8(B)(8) THROUGH 2356.8(C)(5) AS
PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF
AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007
ARE UNCHANGED IN THIS PROPOSED TEXT.]

(c) (6) Report TI03 requests experience for the current reporting year and the prior reporting year. For example, the ~~2007~~ 2009 TI03 report, submitted by April 30, ~~2008~~ 2010, contains ~~assets and liabilities at year-end 2007~~ *revenue and expenses for the calendar year 2009* (the current reporting year) and ~~at year-end 2006~~ *for the calendar year 2008* (the prior reporting year).

NOTE: Authority: Sections 12389, 12397.5, 12401.3, 12401.5, and 12414.21 of the Insurance Code; 20th Century Ins. Co. v. Garamendi (1994) 8 Cal.4th 216.
Reference: Sections 1215, 12401.1, 12401.2, 12401.8, 12412 of the Insurance Code.

[PROPOSED SECTIONS 2356.8(C)(7) THROUGH 2356.8(L)(2) AS
PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF
AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007
ARE UNCHANGED IN THIS PROPOSED TEXT.]

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(3) Descriptions and Instructions for Data Fields

Row / Line Number	Name of Data Line	Description and Instructions for Data Line
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Row / Line Number	Name of Data Line	Description and Instructions for Data Line
TI12.01	Year	Enter the year corresponding to the reporting year for each column as a four digit number without commas. For example, if the current reporting period is 2006 2010, enter 2006 2010 in this row in Column TI12.B and 20059, 20048, 20037 and 20026 in Columns TI12.C, TI12.D, TI12.E and TI12.F. In this example, enter 2006, 2005, 2004, 2003 and 2002-2010, 2009, 2008, 2007 and 2006 in Columns TI12.G, TI12.H, TI12.I, TI12.J and TI12.K, respectively.

[...]

[PROPOSED SECTIONS 2356.8(m) THROUGH 2356.8(n) AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

(o) TI15 Detailed Claim Report.

Each title insurance company shall submit this report of detailed claim experience during the reporting period. All claim activity during the reporting period shall be included in this report, including claim payments, claim recoveries, claim settlements without payment, claims denied and establishment or adjustment of reserves. This report can be visualized as a table where each row is a separate record of activity during the reporting year for an individual claim. The columns of the table are data fields, described below.

Data Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI15.A	Name of Reporting Entity	Report the name of the title insurance company whose experience is being reported. A separate report is required for each title insurance company.
TI15.B	Reporting Year	Report the calendar year experience period as a four-digit numeral.
TI15.C	Date Policy Issued	Report the date of issuance of the policy under which the claim was made in YYYYMMDD. For example, report May 15, 2005 2010 as " 2005 20100515" without the quotation marks.

[...]

[PROPOSED SECTIONS 2356.8(P) THROUGH 2356.8(P)(2) AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF

AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007
ARE UNCHANGED IN THIS PROPOSED TEXT.]

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(3) Report TI16 must be reported using the spreadsheet template provided by the Department and available on the Department's web site: www.insurance.ca.gov.

Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI16.A	Reporting Company	Report the name of the title insurance company whose experience is being reported. A separate report is required for each title insurance company.
TI16.B	Line #	Report the line number from the table below for Report TI16. The line numbers are pre-entered in the spreadsheet template.
TI16.C	Line Description	Report the line description corresponding to the line number in TI16.B. The line descriptions are pre-entered in the spreadsheet template.
TI16.D	19th Prior Year	The current year is the most recent calendar year. The 19th prior year is nineteen years earlier. For example, if the most recent calendar year is 2006 2010, then the 19th prior year is 1987 1991. Enter the year as a four-digit number without a comma.
TI16.E	18th Prior Year	The current year is the most recent calendar year. The 18th prior year is eighteen years earlier. For example, if the most recent calendar year is 2006 2010, then the 18th prior year is 1988 1992. Enter the year as a four-digit number without a comma.
TI16.F	17th Prior Year	The current year is the most recent calendar year. The 17th prior year is seventeen years earlier. For example, if the most recent calendar year is 2006 2010, then the 17th prior year is 1989 1993. Enter the year as a four-digit number without a comma.
TI16.G	16th Prior Year	The current year is the most recent calendar year. The 16th prior year is sixteen years earlier. For example, if the most recent calendar year is 2006 2010, then the 16th prior year is 1990 1994. Enter the year as a four-digit number without a comma.

Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI16.H	15th Prior Year	The current year is the most recent calendar year. The 15th prior year is fifteen years earlier. For example, if the most recent calendar year is 2006 2010, then the 15th prior year is 1991 1995. Enter the year as a four-digit number without a comma.
TI16.I	14th Prior Year	The current year is the most recent calendar year. The 14th prior year is fourteen years earlier. For example, if the most recent calendar year is 2006 2010, then the 14th prior year is 1992 1996. Enter the year as a four-digit number without a comma.
TI16.J	13th Prior Year	The current year is the most recent calendar year. The 13th prior year is thirteen years earlier. For example, if the most recent calendar year is 2006 2010, then the 13th prior year is 1993 1997. Enter the year as a four-digit number without a comma.
TI16.K	12th Prior Year	The current year is the most recent calendar year. The 12th prior year is twelve years earlier. For example, if the most recent calendar year is 2006 2010, then the 12th prior year is 1994 1998. Enter the year as a four-digit number without a comma.
TI16.L	11th Prior Year	The current year is the most recent calendar year. The 11th prior year is eleven years earlier. For example, if the most recent calendar year is 2006 2010, then the 11th prior year is 1995 1999. Enter the year as a four-digit number without a comma.
TI16.M	10th Prior Year	The current year is the most recent calendar year. The 10th prior year is ten years earlier. For example, if the most recent calendar year is 2006 2010, then the 10th prior year is 1996 2000. Enter the year as a four-digit number without a comma.
TI16.N	9th Prior Year	The current year is the most recent calendar year. The 9th prior year is nine years earlier. For example, if the most recent calendar year is 2006 2010, then the 9th prior year is 1997 2001. Enter the year as a four-digit number without a comma.

Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI16.O	8th Prior Year	The current year is the most recent calendar year. The 8th prior year is eight years earlier. For example, if the most recent calendar year is 2006 2010, then the 8th prior year is 1998 2002. Enter the year as a four-digit number without a comma.
TI16.P	7th Prior Year	The current year is the most recent calendar year. The 7th prior year is seven years earlier. For example, if the most recent calendar year is 2006 2010, then the 7th prior year is 1999 2003. Enter the year as a four-digit number without a comma.
TI16.Q	6th Prior Year	The current year is the most recent calendar year. The 6th prior year is six years earlier. For example, if the most recent calendar year is 2006 2010, then the 6th prior year is 2000 2004. Enter the year as a four-digit number without a comma.
TI16.R	5th Prior Year	The current year is the most recent calendar year. The 5th prior year is five years earlier. For example, if the most recent calendar year is 2006 2010, then the 5th prior year is 2001 2005. Enter the year as a four-digit number without a comma.
TI16.S	4th Prior Year	The current year is the most recent calendar year. The 4th prior year is four years earlier. For example, if the most recent calendar year is 2006 2010, then the 4th prior year is 2002 2006. Enter the year as a four-digit number without a comma.
TI16.T	3rd Prior Year	The current year is the most recent calendar year. The 3rd prior year is three years earlier. For example, if the most recent calendar year is 2006 2010, then the 3rd prior year is 2003 2007. Enter the year as a four-digit number without a comma.
TI16.U	2nd Prior Year	The current year is the most recent calendar year. The 2nd prior year is two years earlier. For example, if the most recent calendar year is 2006 2010, then the 2nd prior year is 2004 2008. Enter the year as a four-digit number without a comma.

Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI16.V	1st Prior Year	The current year is the most recent calendar year. The 1st prior year is one year earlier. For example, if the most recent calendar year is 2006 2010, then the 1st prior year is 2005 2009. Enter the year as a four-digit number without a comma.
TI16.W	Current	The current year is the most recent calendar year. Enter the year as a four-digit number without a comma.

(q) TI17 Report of Title Insurance Policy Forms, Endorsements, Discounts and Surcharges.

Each title insurance company shall submit this report of title insurance policy forms, endorsements, discounts and surcharges used during the reporting period. This report can be visualized as a table with each row (record) describing a different title policy form and each column representing the data fields described below.

Data Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI17.A	Name of Reporting Entity	Report the name of the title insurance company whose experience is being reported. A separate report is required for each title insurance company.
TI17.B	Reporting Year	Report the calendar year experience period as a four-digit numeral.
TI17.C	Type of Record	Report 1 if the record describes a policy form, 2 if the record describes an endorsement, and 3 if the record describes a discount or surcharge.
TI17.D	Code	Report a unique code for each policy form, endorsement, discount and surcharge.
TI17.E	Name	Report the name / description of the policy form, endorsement, discount or surcharge associated with the unique code from field TI17.D. For policy forms and endorsements, report the full name of the policy form or endorsement and the year approved for use. For discounts or surcharges, report a description of the discount or surcharge.

Data Field / Column Number	Name of Data Field	Description and Instructions for Data Field
TI17.F	Rate Filing Location	Report the date and page number of the rate filing in which the rate can be found. Report in the format YYYYMMDD PPP, where YYYYMMDD is the four-digit year, month and day followed by a space and then the page number, where the page number can be a number or letter and number combination. For example, 2006 20100501 E17.
TI17.G	Owner's or Lender's	If applicable, report whether the form, endorsement, discount or surcharge is, or applies to, an owner's policy, a lender's policy or both, using the following codes: 1 if the form is an owner's policy or if the endorsement, discount or surcharge applies only to an owner's policy 2 if the form is a lender's policy or if the endorsement, discount or surcharge applies only to a lender's policy 3 if the form is lender's or owner's policy or the endorsement, discount or surcharge can apply to an owner's policy or a lender's policy

[...]

[PROPOSED SECTIONS 2356.9 THROUGH 2356.9(B)(6) AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

Section 2356.9 Annual Financial Data Requirements for Underwritten Title Company Reports

Section 2356.9 (b) (7) Report UTC02 requests experience for the current reporting year and the prior reporting year. For example, the ~~2007~~ 2009 UTC02 report, submitted by April 30, ~~2008~~ 2010, contains assets and liabilities at year-end ~~2007~~ 2009 (the current reporting year) and at year-end ~~2006~~ 2008 (the prior reporting year).

[PROPOSED SECTIONS 2356.8(B)(8) THROUGH 2356.9(C)(5) AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

(c) (6) Report UTC03 requests experience for the current reporting year and the prior reporting year. For example, the ~~2007~~ *2009* UTC03 report, submitted by April 30, ~~2008~~ *2010*, contains ~~assets and liabilities at year-end 2007~~ *revenue and expenses for the calendar year 2009* (the current reporting year) and ~~at year-end 2006~~ *for the calendar year 2008* (the prior reporting year).

Authority: Sections 12389, 12397.5, 12401.3, 12401.5, 12412, and 12414.21 of the Insurance Code; *20th Century Ins. Co. v. Garamendi* (1994) 8 Cal.4th 216.

Reference: Sections 1215, 12401.1, 12401.2, 12401.8, 12412, of the Insurance Code.

[PROPOSED SECTIONS 2356.9(C)(7) THROUGH 2357.9(K) AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

(l) UTC12 Six-Year Report of Selected Data.

Each underwritten title company submitting Reports UTC02 and UTC03 shall submit this report of six years of experience for certain line items from Reports UTC02 and UTC03. Report UTC12, like Reports UTC02 and UTC03, is a report of consolidated GAAP-basis experience. Report UTC12 must be reported using a spreadsheet template provided by the Commissioner on the Department's web site: www.insurance.ca.gov.

[...]

Row / Line Number	Name of Data Line	Description and Instructions for Data Line
UTC12.01	Year	Enter the year corresponding to the reporting year for each column as a four digit number without commas. For example, if the current reporting period is 2006 <i>2010</i> , enter 2006 <i>2010</i> in this row in Column UTC12.B and 2005, 2004, 2003 and 2002 <i>2009, 2008, 2007 and 2006</i> in Columns UTC12.C, UTC12.D, UTC12.E and UTC12.F. In this example, enter 2006, 2005, 2004, 2003 and 2002 <i>2010, 2009, 2008, 2007 and 2006</i> in Columns UTC12.G, UTC12.H, UTC12.I, UTC12.J and UTC12.K, respectively.

[...]

[PROPOSED SECTIONS 2356.9(M) THROUGH 2357.18 AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

Section 2357.19 Interim maximum title insurance rates

(a) (1) Except as provided in subdivision (e) of this section, commencing on October 1, ~~2009~~ 2010, no title insurance company may use any rate that produces premium charges for title-insurance policies, for endorsements, or for other charges that are computed on the basis of the amount of insurance or computed as a percentage of the basic premium, that exceeds the interim maximum title insurance rate (InterimMaxTitleRate), defined as the product of

(A) the premium that the title insurance company would have charged for the same policy, including endorsements and other charges, for the same transaction type, based on rates in effect for the title insurance company on December 31, 2000 (2000TitleRateTransType), multiplied by

(B) 1 plus

(i) the title interim rate reduction for the transaction type (TitleInterimReductionTransType,) specified in subdivision (a)(2) of this section, multiplied by

(ii) the sales price adjustment factor for the transaction type (SPAFTransType) specified in subdivision (b) of this section.

Stated as a formula, the interim maximum title insurance rate effective October 1, ~~2009~~ 2010 is:

$$InterimMaxTitleRate = 2000TitleRate_{TransType} \times (1 + TitleInterimReduction_{TransType} \times SPAF_{TransType})$$

(2) The title interim rate reduction for the specified transaction type is defined as the value from the following table corresponding to the transaction type:

Transaction Type	Title Interim Rate Reduction
Title Purchase	-25.6%
Title Non-Purchase Refinance	-9.8%
Title Non-Purchase Other-Than-Refinance	-15.4%

(b) (1) The sales price adjustment factor is defined as follows, subject to the limitation that for a calculated amount less than or equal to 0 the value 0 shall be used and that for a calculated amount greater than 1 the value 1 shall be used:

(A) the quantity

(i) the sum of

(I) 0.9375 multiplied by 2000-~~2009~~-2010 inflation factor (InflationFactor), defined as the change in the consumer price index series SUUR0000SA0, not seasonally adjusted from June 2000 to May ~~2009~~ 2010 multiplied by the change in this consumer price index from June ~~2008~~-2009 to May ~~2009~~-2010, plus

(II) 0.0625 multiplied by 2000-~~2009~~-2010 change in transaction size (ChangeTransSize), defined as the ratio of the most current California Association of Realtors forecast of median existing single-family home sales price for ~~2009~~-2010 to \$241,350,

(ii) divided by the sum of 1 plus the quantity

(I) the premium/transaction factor for the type of transaction (PremTransFactorTransType), as specified, in subdivision (b)(2) of this section, multiplied by

(II) the 2000-~~2009~~-2010 change in transaction size (ChangeTransSize) minus 1,

(iii) minus 1,

(B) multiplied by the quantity

(i) 1 divided by

(ii) the title interim rate reduction for the transaction type (TitleInterimReductionTransType).

Stated as a formula:

$$SPAF_{TransType} = \left(\frac{.9375 \times InflationFactor + .0625 \times ChangeTransSize}{1 + ((ChangeTransSize - 1) \times PremTransFactor_{TransType})} - 1 \right) \times \left(\frac{1}{TitleInterimReduction_{TransType}} \right)$$

(2) The premium/transaction factor for a specific transaction type means the value from the following table corresponding to the transaction type:

Transaction Type	Premium/Transaction Factor
Title Purchase	0.45854
Title Non-Purchase Refinance	0.24935

Transaction Type	Premium/Transaction Factor
Title Non-Purchase Other-Than-Refinance	0.31655

(3) The Commissioner shall publish the values of the sales price adjustment factor for title insurance on or before ~~August 1~~ *July 30, 2009 2010*.

(c) Every title insurance company shall, no later than September 1, ~~2009-2010~~, make a rate filing in conformance with this section covering the rates to be used on and after October 1, ~~2009-2010~~.

(1) To the extent that a title insurance company intends to issue a policy or coverage or to provide a service for which it had no filed rate on December 31, 2000, it shall identify that policy, coverage, or service in its rate filing made pursuant to this section and shall demonstrate that the rate or charge is consistent with the rate-reduction mandated by this section.

(2) If a title insurance company has filed rate reductions effective on or after January 1, 2001, and the resulting rates are no greater than the maximum interim rates as specified in subdivisions (a) and (b) of this section, the title insurance company has satisfied the rate reduction requirements of subdivisions (a) and (b) with respect to those rates. If a title insurance company has filed rate reductions effective on or after January 1, 2001, and the resulting rates are greater than the maximum interim rates as specified in subdivisions (a) and (b), the title insurance company shall further reduce rates to satisfy the requirements of subdivisions (a) and (b) with respect to those rates. If a title insurance company has not changed rates or has increased rates effective on or after January 1, 2001, the title insurance company shall reduce its rates to satisfy the requirements of subdivisions (a) and (b) of this section.

(3) Nothing in this section shall preclude a title insurer or underwritten title company from filing a rate at any other time, provided that the rates comply with the applicable provisions of this section and with all other applicable provisions of law. Every policy that is subject to the provisions of subdivisions (a) or (b) of this section shall be reduced to a level no greater than that prescribed in those subdivisions. Failure to reduce an existing rate on any policy or service to the level prescribed by this section shall not be excused by a greater-than-specified reduction of other rates.

(d) The rate for each policy form and for each endorsement and other title service computed on the basis of the amount of insurance or computed as a percentage of the basic premium must satisfy the requirements of subdivisions (a), (b) and (c). Each title insurance company shall adjust its rates as necessary to ensure that the premium charge for a particular policy and transaction does not exceed the amount the title insurer would have charged for that policy and transaction based on rates in effect on December 31, 2000 less the relevant interim rate reduction percentage.

(e) The provisions of subdivisions (a) through (d) of this section shall not become operative if the Commissioner has, by ~~August 1~~ *July 30, 2009 2010*, published all of the projection factors specified in section 2357.4 and all of the totals specified in section 2357.3. The provisions of section 2357.6 shall not be operative until the Commissioner determines and publishes all of the projection factors specified in section 2355.4 and all of the totals specified in section 2357.3, at which time subdivisions (a) through (d) of this section shall cease to be operative.

NOTE: Authority: Sections 12389, 12397.5, 12401.3, 12401.5, and 12414.21 of the Insurance Code; 20th Century Ins. Co. v. Garamendi (1994) 8 Cal.4th 216.
Reference: Sections 12401.1, 12401.2 of the Insurance Code.

[PROPOSED SECTIONS 2358.1 THROUGH 2358.8 AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT.]

Section 2358.9 Interim maximum rates for escrow

(a) (1) Except as provided in subdivision (e) of this section, commencing on October 1, ~~2009~~ *2010*, no company may use any rate that produces charges for any escrow service that exceed the interim maximum rate for escrow (InterimMaxEscrowRate), defined as the product of

(A) the charge that the company would have charged for the same transaction type, based on rates in effect for the company on December 31, 2000 (2000EscrowRateTransType), multiplied by:

(B) 1 plus
(i) the escrow interim rate reduction for the transaction type (EscrowInterimReductionTransType,Region) specified in subdivision (a)(2) of this section, multiplied by

(ii) the sales price adjustment factor for the transaction type (SPAFTransType,Region) specified in subdivision (b) of this section.

Stated as a formula, the interim maximum escrow charge effective October 1, ~~2009~~ *2010* is:

$$InterimMaxEscrowCharge = 2000EscrowRate_{TransType} \times (1 + EscrowInterimReduction_{TransType,Region} \times SPAF_{TransType,Region})$$

(2) The escrow interim rate reduction for the specified transaction type is defined as the value from the following table corresponding to the transaction type and region:

	Escrow Interim Rate Reduction		
	Bay Area	South	Rest of State
Escrow Purchase	-7.4%	-23.0%	-23.6%
Escrow Non-Purchase	-14.5%	-15.9%	-15.4%

(b) (1) The sales price adjustment factor is defined as follows, subject to the limitation that for a calculated amount less than or equal to 0 the value 0 shall be used and that for a calculated amount greater than 1 the value 1 shall be used:

(A) the quantity

(i) the sum of

(I) 0.9875 multiplied by 2000-2009 2010 inflation factor (InflationFactor), defined as the change in the consumer price index series SUUR0000SA0, not seasonally adjusted from June 2000 to May 2009 2010 multiplied by the change in this consumer price index from June 2008-2009 to May 2009-2010, plus

(II) 0.0125 multiplied by 2000-2009-2010 change in transaction size (ChangeTransSize), defined as the ratio of the most current California Association of Realtors forecast of median existing single-family home sales price for 2009 2010 to \$241,350,

(ii) divided by the sum of 1 plus the quantity

(I) escrow charge/transaction factor for the type of transaction and region (EscrowTransFactorTransType,Region), as specified, in subdivision (b)(2) of this section, multiplied by

(II) the 2000-2009-2010 change in transaction size (ChangeTransSize)

(iii) minus 1,

(B) multiplied by the quantity

(i) 1 divided by

(ii) the escrow interim rate reduction for the transaction type (EscrowInterimReductionTransType,Region).

Stated as a formula:

$$SPAF_{TransType,Region} = \left(\frac{.9875 \times InflationFactor + .0125 \times ChangeTransSize}{1 + (ChangeTransSize - 1) \times EscrowTransFactor_{TransType,Region}} - 1 \right) \times \left(\frac{1}{EscrowInterimReduction_{TransType,Region}} \right)$$

(2) The escrow charge/transaction factor for a specified transaction type and region means the value from the following table corresponding to the transaction type and region:

Region	Escrow Charge/Transaction Factor	
	Escrow Purchase	Escrow Non-Purchase
Bay Area	.18923	.27488
South	.39891	.29777
Rest of State	.40920	.29298

(3) The Commissioner shall publish the values of the sales price adjustment factor for escrow on or before ~~August 1, 2009~~ July 30, 2009-2010.

(c) Every company that charges for escrow services shall, no later than September 1, 2009-2010, make a rate filing in conformance with this section covering the rates to be used on and after October 1, 2009-2010.

(1) To the extent that a company intends to provide escrow services for which it had no filed rate on December 31, 2000, it shall identify those services in its rate filing made pursuant to this section and shall demonstrate that the rate or charge is consistent with the rate-reduction mandated by this section.

(2) If a company has filed rate reductions effective on or after January 1, 2001, and the resulting rates are no greater than the maximum interim rates as specified in subdivisions (a) and (b) of this section, the company has satisfied the rate reduction requirements of subdivisions (a) and (b) with respect to those rates. If a company has filed rate reductions effective on or after January 1, 2001, and the resulting rates are greater than the maximum interim rates as specified in subdivisions (a) and (b), the company shall further reduce rates to satisfy the requirements of subdivisions (a) and (b) with respect to those rates. If a company has not changed rates or has increased rates effective on or after January 1, 2001, the company shall reduce its rates to satisfy the requirements of subdivisions (a) and (b) of this section.

(3) Nothing in this section shall preclude a company from filing a rate at any other time, provided that the rates comply with the applicable provisions of this section and with all other applicable provisions of law. Every policy that is subject

to the provisions of subdivisions (a) or (b) of this section shall be reduced to a level no greater than that prescribed in those subdivisions. Failure to reduce an existing rate on any policy or service to the level prescribed by this section shall not be excused by a greater-than-specified reduction of other rates.

(d) The rate for each service computed on the basis of the amount of insurance or computed as a percentage of the basic premium must satisfy the requirements of subdivisions (a) and (b). Each escrow company shall adjust its rates as necessary to ensure that the charge for a particular transaction does not exceed the amount the company would have charged for that transaction based on rates in effect on December 31, 2000 less the relevant interim rate reduction percentage.

(e) The provisions of subdivisions (a) through (d) of this section shall not become operative if the Commissioner has, by ~~August 1~~ *July 30, 2009* ~~2010~~, published all of the projection factors specified in section 2358.3 and all of the totals specified in section 2358.2. The provisions of section 2358.4 shall not be operative until the Commissioner determines and publishes all of the projection factors specified in section 2358.3 and all of the totals specified in section 2358.2, at which time subdivision (a) through (d) of this section shall cease to be operative.

NOTE: Authority: Sections 12389, 12397.5, 12401.3, 12401.5, and 12414.21 of the Insurance Code; 20th Century Ins. Co. v. Garamendi (1994) 8 Cal.4th 216.
Reference: Sections 12401.1, 12401.2 of the Insurance Code.

[PROPOSED SECTIONS 2359.1 THROUGH 2359.7 AS PROPOSED FOR ADOPTION PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007 ARE UNCHANGED IN THIS PROPOSED TEXT. THE PROPOSED REPEAL OF ARTICLE 14 OF SUBCHAPTER 3 OF CHAPTER 5 OF TITLE 10 OF THE CALIFORNIA CODE OF REGULATIONS IS UNCHANGED FROM THE TEXT MADE AVAILABLE PURSUANT TO THE NOTICE OF AVAILABILITY OF CHANGED TEXT ISSUED ON MAY 9, 2007.]